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NOTICE OF CONFID WARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

OIL. GAS AND MINERAL LEASE

Louisiana, Suite 1500, Houston, Texas 77002, called Lessee, does witness that:

All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

Lot 75, Block B, situated in the Fossil Springs Addition, an addition to Haltom City, Texas, being the same land described in that certain Plat, dated September 27th, 1993 by Gehan Investments, Inc. DBA Gehan Homes, according to the plat recorded in Cabinet A, Slide No. 1507, Official Plat Records Tarrant County, Texas.

in the county of <u>Tarrant</u>, State of Texas, containing <u>0.1386</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non-hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of 3 years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at
- Lessee's separator facilities, the royalty shall be 20% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field, (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be 20% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold

- created in the Leased premises or lands pooled therewith, in shall be due until the end of the 90-day period east following essation of such operations or production. Lesses 6 failure to property pay shall render Lesses liable for the amount due, but shall not operate to terminate this lesse, and a shall be paid or tendered to Lessor or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to lessor or the total exposition of the depository by deposit in the LIV Mails in a stamped envelope addressed to the depository or by check or by draft and such payments or tenders to lessor or the total exposition of the depository should liquidate or be succeeded by another institution, or for any reason fall or require to eccept payments hereunder, Lessor shall, at Lesses is request, deliver to Lesses en proper recordable instrument naming another institution, as deposition of the payments.

 5. If Lesses drills a well which is incapable of producing in paying quantities (hereinatire called "dry hole") on the lessed premises or lands pooled therewith, or it all production (whether or not in paying quantities) permanently excesse from any cause, including a revision of undurates pursuant to the provisions of Paragraph or the action of any governmental authority, then in the event this lesse is not otherwise being maintained in force it Lessee commences operations for exerciting an existing well or for otherwise obtaining or mountaine payments of the production. If any the extender, the lesses in not characterise being maintained in force but Lesses less the en engaged in drilling, retraining or any other postations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations are such to the extender of the payment of the production. It is a such as a payment of the production of long as or other substanting or an
- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the any time two or more persons are entitled to shut-in royaltles hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the

depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease

then held by each. 9. Lessee may r, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any 9. Lessee trails and the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be

proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased promises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a sonable time thereafter

reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfelted or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

15. NO-SURFACE USE. Notwithstanding anything to the contrary contained herein, Lessee agrees that it shall have no right to use the surface of the Lease Premises to exercise any of the rights granted hereunder without first obtaining Lessor's written consent, except as provided in the Addendum hereto. This provision shall to no way to third the expercise properties of or production from the Lease

in no way restrict Lessee's exploration of or production from the Leased Premises by means of wells drilled on other lands but entering or bottomed on the Lease Premises. Any wells directionally or horizontally drilled or operated under the Lease Premises with bottom hole locations (for vertical wells) or with horizontal drainhole Lease Premises with outcommon total value of the lease Premises with outcommon total value of the lease Premises. Lessee agrees that any drilling under the Lease Premises shall commence at and continue at depths below five hundred feet (500') from the surface of the earth. In addition to Lessee's other rights under this Lease, Lessor hereby grants to Lessee a subsurface easement to drill and operate directional and/or horizontal wells under and through the Lease Premises to reach lands not covered by this Lease and which wells have bottom hole locations (if a vertical well) or horizontal drainhole locations (if a horizontal well) on lands not covered by this Lease or land pooled therewith. Lessee agrees that this subsurface easement shall commence at and continue at all depths below five hundred feet (500') from the

16. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

17. This Lease may be executed in any number of counterparts, no one of which needs to be executed by all Parties, or this Lease may be ratified by separate written instrument specifically referring hereto, and it shall be binding upon all Parties who executed a counterpart or ratification instrument with the same force and effect, with each separate counterpart or ratification instrument deemed to be one and same original Lease.

18. Both Lessor and Lessee agree that neither shall make this lease a public document by any means including recordation with any county records office.

Lessor and Lessee agree that they shall only file a MEMORANDUM OF OIL, GAS AND MINERAL LEASE.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the

signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

IN WITNESS WHEREOF this instrument is executed on the date first above written.

LESSOR Pamela E Johnson	LESSOR:
Name: Pamela & Johnson	Name:
(Individually and in all Capacities for the above described Land)	(Individually and in all Capacities for the above described Land)
Title: Individual/Lessor	Title:
STATE OF TEXAS	
COUNTY OF CLICANT	D I C \ hasso
capacity therein stated.	that he/she executed the same for the purpose and consideration therein expressed and in the
Given under my hand and seal of office this 1724 day	(Land Va Can
My commission expires My Commission Expire April 17, 2011	
STATE OF TEXAS	
COUNTY OF	
Before me, the undersigned authority, on this day perso subscribed to the forgoing instrument, and acknowledged to me the capacity therein stated.	nally appeared, known to me to be the person whose name is at he/she executed the same and for the purpose and consideration therein expressed and in the
Given under my hand and seal of office this day	Notary Public, State of Texas
My commission expires:	Notary's printed name